



DATE: February 13, 2019

TO: Kia Selley, Interim-Director Portland Parks & Recreation
Jessica Kinard, Interim-Director City Budget Office

CC: Claudio Campuzano, Portland Parks & Recreation
Asha Bellduboset, City Budget Office

FROM: Commissioner Nick Fish *NF*

ISSUE TITLE: PP&R Reduction Contingency/Bridge Funding

ISSUING DIRECTION: Commissioner Fish

BUREAU DIRECTED: Portland Parks & Recreation (PP&R)

ISSUE OVERVIEW AND DESIRED GOAL/OUTCOMES:

PP&R has grown in the last decade, bringing new programs, new facilities, and new services online to meet community and Council expectations. Each year, the bureau's costs have grown while fee revenue has remained relatively flat. One-time strategies have allowed the bureau to patch the hole, but have not addressed the underlying problem and are no longer enough. The deficit will only continue to grow, cannot be fixed with one-time support from the City's general fund, and must be addressed this year.

Current projections show an estimated \$6.3 million gap between expenses and revenue next fiscal year in the approximately \$93 million operating budget. Fixing this problem will require changes that affect programs, services, and staff.

PP&R, in developing reductions, is asking fundamental questions about priorities, and about how we, as a City, serve the community. PP&R will need to scale operations to revenue, and it will take time to determine what those trade-offs entail. The bureau is working closely with the Commissioner-in-Charge to identify viable reduction options that adhere to City and Budget Advisory Committee values, to be delivered to Council in mid-March. However, as the bureau undertakes this work, it is clear that change at this scale will bring with it many unknowns.

Additionally, it is clear that not all reductions will be fully implementable as of July 1, 2019; with specific reductions unknown at this point and with the summer registration for programming already underway, some bridge funding will be necessary to ensure that PP&R can meet the programming obligations they are entering into currently.

PP&R is directed to develop a proposal for one-time funding to bridge the operational challenges associated with reducing already scheduled programming, to bridge the transition to new operating models, and to account for unanticipated costs associated with the change in operational scale.

Funding Options: One-time General Fund.

Additional Requests/Notes: None.